General Assembly

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Fifty-ninth session
Agenda item 107

Resolution adopted by the General Assembly

[*on the report of the Fifth Committee (A/59/652/Add.1)*]

59/288. Procurement reform

The General Assembly,

Recalling its resolutions 54/14 of 29 October 1999, 55/247 of 12 April 2001 and 57/279 of 20 December 2002,

Having considered the report of the Secretary-General on procurement reform,[1] the related report of the Advisory Committee on Administrative and Budgetary Questions[2] and the reports of the Office of Internal Oversight Services on the audit of safeguarding air safety standards while procuring air services for the United Nations peacekeeping missions[3] and on the audit of the functioning of the Headquarters Committee on Contracts,[4]

A. Report of the Secretary-General on procurement reform

1. *Takes note* of the report of the Secretary-General[1] and the related report of the Advisory Committee on Administrative and Budgetary Questions;[2]

2. *Welcomes* the progress achieved in addressing the concerns expressed in its resolution 57/279 and the recent significant improvements made by the Secretary-General in procurement reform at Headquarters and in the field missions;

3. *Notes with appreciation* the progress achieved in the harmonization and streamlining of procurement practices;

4. *Calls upon* the executive heads of the funds and programmes of the United Nations to continue their efforts with a view to improving the efficiency of procurement by reducing duplication and harmonizing the procurement procedures in the United Nations system as a whole, in close cooperation with the Procurement Service of the Office of Central Support Services of the Secretariat;

5. *Requests* the Secretary-General to encourage all the organizations of the United Nations system, consistent with their respective mandates, to further improve

[1] A/59/216
[2] See A/59/540.
[3] See A/59/347.
[4] See A/58/294.

their procurement practices, inter alia, by participating in the United Nations Global Marketplace with a view to creating one common United Nations global procurement web site;

6. *Notes* the activities of the Inter-Agency Procurement Working Group and of the Common Services Procurement Working Group on enhancing the transparency and increasing the harmonization of procurement practices, and requests the Secretary-General, in consultation with the executive heads of the United Nations funds and programmes, to continue work in this regard;

7. *Requests* the Secretary-General to continue to simplify and streamline the vendor registration process and to share responsibilities among the various United Nations organizations;

8. *Notes* the efforts made by the Secretary-General to increase procurement opportunities for developing countries and countries with economies in transition, and requests the Secretary-General:

(*a*) To continue to simplify the vendor registration process, taking into account access to the Internet;

(*b*) To take further steps to sensitize the business community to procurement opportunities within the United Nations system, inter alia:

(i) The holding of additional business seminars;

(ii) Inviting the Inter-Agency Procurement Working Group to hold more meetings in developing countries;

(iii) Including the issue of "Diversity of sources of procurement" as an agenda item at the annual meetings of the Inter-Agency Procurement Working Group;

9. *Notes also* the recent introduction of the principle of best value for money in relation to procurement, and requests the Secretary-General, when applying this principle, to continue safeguarding the financial interests of the Organization, consider best practices and ensure that adequate records are kept;

10. *Requests* the Secretary-General to submit to the General Assembly an overview and general analysis of the functioning of the principle of best value for money, within the framework of his regular reporting on procurement reform;

11. *Also requests* the Secretary-General to implement measures to reduce the time line associated with invoice payment;

12. *Further requests* the Secretary-General to issue ethical guidelines without delay for those involved in the procurement process, requests that those guidelines be shared with Member States through the procurement web site, and reiterates its request to the Secretary-General for the early adoption of a code of conduct for vendors and a declaration of ethical responsibilities for all staff involved in the procurement process;

13. *Encourages* the Inter-Agency Procurement Working Group to continue its efforts to produce comprehensive and generally applicable statistics encompassing the procurement activities of all United Nations entities;

14. *Welcomes* the training programmes for United Nations procurement staff that the Procurement Service has initiated, including in the field, and requests the Secretary-General to support these programmes and to evaluate and monitor their impact;

15. *Notes* the promotion by the Procurement Service of the voluntary principles of the corporate social responsibility initiative, the Global Compact,

within the United Nations procurement framework, and requests the Secretary-General, as appropriate, to report to the General Assembly for further consideration;

16. *Requests* the Secretary-General, taking into account the comments and observations of the Board of Auditors and the Office of Internal Oversight Services, to ensure that information regarding the accountability factor within the procurement reform framework is provided in the next report of the Secretary-General on procurement reform;

17. *Also requests* the Secretary-General to continue to ensure that consistent non-compliance and poor performance by vendors is recorded and that appropriate action is taken with respect to their inclusion in the list of vendors;

18. *Takes note* of the agreements made with major companies, and urges the Secretary-General to continue to ensure adherence to the rules and procedures governing the procurement process and to enable more active participation by all vendors;

19. *Notes* the increase in the number of ex post facto cases, and requests the Secretary-General to continue to take appropriate action in order to minimize that practice to those cases which fully comply with the criteria of exigency;

20. *Requests* the Secretary-General, in his next report on procurement reform, to provide information on the implementation of the new delegations of authority, including mechanisms used to strengthen effective monitoring, oversight and accountability;

21. *Notes* the Secretary-General's plan to provide purchasing cards to departments and offices for the procurement of low-value items, and requests the Secretariat to develop strong internal control mechanisms that will safeguard against misuse, after consulting with the Office of Internal Oversight Services and outside organizations experienced in administering purchase card programmes.

B. Report of the Office of Internal Oversight Services on the audit of safeguarding air safety standards while procuring air services for the United Nations peacekeeping missions

1. *Takes note* of the report of the Office of Internal Oversight Services on the audit of safeguarding air safety standards while procuring air services for the United Nations peacekeeping missions;[3]

2. *Requests* the Secretary-General, as recommended in the report of the Office of Internal Oversight, to fully document the reasons for not following up on the recovery of liquidated damages for contracts and to apply consistent methods to the collection of liquidated damages from vendors;

3. *Also requests* the Secretary-General to continue to ensure compliance with the standards and recommended practices of the International Civil Aviation Organization within the framework of the policy of the Department of Peacekeeping Operations of the Secretariat regarding the chartering of civilian registered aircraft, with the objective of ensuring the highest level of air safety when providing air services to the United Nations;

4. *Notes with concern* the delay and difficulties experienced in recruiting and appointing aviation safety officers in some peacekeeping operations, and requests the Secretary-General to take all necessary measures to fill the vacancies expeditiously;

5. *Requests* the Secretary-General, in view of the limited number of site visits by aviation experts to operational bases of air carriers, to ensure that experts are able to conduct the necessary technical assessment of vendors;

6. *Notes with concern* that occurrences attributed to specific vendors were not included in the vendor performance reports, and requests the Secretary-General to take all necessary measures to ensure that such occurrences are reflected in the appropriate vendor performance reports;

7. *Requests* the Secretary-General to ensure that the Department of Peacekeeping Operations communicates the information on vendor performance to all aviation offices involved and the Procurement Service.

C. Report of the Office of Internal Oversight Services on the audit of the functioning of the Headquarters Committee on Contracts

1. *Takes note* of the report of the Office of Internal Oversight Services on the audit of the functioning of the Headquarters Committee on Contracts;[4]

2. *Requests* the Secretary-General to review without delay options to better safeguard the independence of the Headquarters Committee on Contracts, including the option identified in recommendation 1 of the report of the Office of Internal Oversight Services;[5]

3. *Also requests* the Secretary-General to examine the appropriateness of the current threshold for the review of procurement cases by the Headquarters Committee on Contracts with a view to improving the effectiveness and efficiency of the functioning of the Committee, taking into account the development of the delegation of authority to the field offices as described in paragraph 11 of the report of the Advisory Committee on Administrative and Budgetary Questions,[2] and to report on action taken to the General Assembly in the context of the next report of the Secretary-General on procurement reform.

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[5] Ibid., para. 29.

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59/289. Outsourcing practices

The General Assembly,

Recalling its resolutions 54/256 of 7 April 2000, 55/232 of 23 December 2000 and 58/276 and 58/277 of 23 December 2003,

Having considered the report of the Secretary-General on outsourcing practices[1] and the related report of the Advisory Committee on Administrative and Budgetary Questions,[2]

1. *Takes note* of the report of the Secretary-General,[1] and endorses the observations and recommendations of the Advisory Committee on Administrative and Budgetary Questions related thereto;[2]

2. *Acknowledges* that outsourcing should be used in full compliance with the four criteria set out by the General Assembly, and requests the Secretary-General to monitor the quality of activities outsourced;

3. *Requests* the Secretary-General to continue to consider outsourcing actively in accordance with the guidance and goals mentioned in paragraphs 1 to 3 of resolution 55/232 and to ensure that programme managers satisfy all of the following criteria in their assessment of whether or not an activity of the Organization can be fully, or even partially, outsourced:

(*a*) Cost-effectiveness and efficiency: this is considered to be the most basic criterion; unless it can be adequately demonstrated that an activity can be done significantly more economically and, at the very least, equally efficiently, by an external party, outsourcing may not be considered;

(*b*) Safety and security: activities that could compromise the safety and security of delegations, staff and visitors may not be considered for outsourcing;

(*c*) Maintaining the international character of the Organization: outsourcing may be considered for activities in which the international character of the Organization is not compromised;

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[1] A/59/227.

[2] A/59/540, paras. 1, 12 and 13.

(*d*) Maintaining the integrity of procedures and processes: outsourcing may not be considered if it will result in any breach of established procedures and processes.

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